

BEFORE THE  
**Federal Communications Commission**

WASHINGTON, D.C. 20554

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In the Matter of )

Geographic Partitioning and )  
Spectrum Disaggregation by )  
Commercial Mobile Radio Service )  
Licensees )

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

WT Docket No. 96-148

To: The Commission

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COMMENTS  
OF  
SR TELECOM INC.

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## **SUMMARY**

SR Telecom Inc. ("SR Telecom") strongly supports the Commission's proposal to permit broadband PCS licensees to partition their licenses and/or disaggregate their frequencies because it will facilitate provision of fixed wireless services ("FWL"). SR Telecom urges the Commission to expand its proposal so that partitionees are not limited to county boundaries, but can instead offer PCS or other services to locations that either cross boundary lines or are located far from a county border. Such locations could include remote rural communities or specific urban neighborhoods. In this way, the Commission will expedite provision of new technologies to customers within a PCS MTA or BTA service area, particularly those Americans living in rural and other less marketable areas.

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COMMENTS  
OF  
SR TELECOM INC.

SR Telecom Inc. ("SR Telecom"), by its attorneys, respectfully submits the following Comments in response to the Notice of Proposed Rule Making ("Notice") of the Federal Communications Commission ("Commission") released July 25, 1996 in the above-styled matter.<sup>1/</sup>

**I. PRELIMINARY STATEMENT**

1. SR Telecom is a Canadian manufacturer of point-to-multipoint radio equipment employed internationally to provide wireless, fixed telephone subscriber service, as well as supervisory control and data acquisition ("SCADA") transport for industrial uses. Many SR Telecom systems are

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<sup>1/</sup> 61 Fed. Reg. 38693 (July 25, 1996).

installed throughout North America, including the United States, Canada and Mexico, as well as in Europe and Latin America, Pacific Rim countries, the Middle East, and Africa. These systems provide telephone service to hundreds of thousands of subscribers who would otherwise go unserved. SR Telecom is currently working closely with local exchange carriers ("LECs") and others in the United States with a view toward utilization of its technology to provide wireless loop services primarily in rural and sparsely populated areas.

2. Fixed wireless technology provides a spectrum-efficient, valuable source of competition for other forms of voice and data telecommunications. Point-to-multipoint Time Division Multiple Access ("TDMA") systems utilize proven technology specifically designed and employed for the purpose of providing digital wireless service to subscribers who are frequently located several miles from a telephone central office and who cannot be economically served by copper or fiber optics.

3. The expanded delivery of fixed digital wireless services will provide local exchange access to many new subscribers, some of whom have no service currently, at significantly lower costs than that which can be provided

using conventional wire and cable plants. These wireless systems permit the delivery of high quality telephone service with minimum delay. Maintenance is relatively inexpensive and service can be provided rapidly over extended distances. SR Telecom has demonstrated the spectral efficiency of this technology, as compared to point-to-point technology, in various meetings with the Commission over the past eighteen months.

4. SR Telecom also filed Comments and Reply Comments in response to the Notice of Proposed Rule Making in WT Docket No. 96-6; these Comments and Reply Comments strongly supported the Commission's proposal to amend its CMRS rules to permit ready provision of fixed wireless technology by CMRS licensees. That proposal, which was recently adopted by the FCC in its Report and Order, should greatly enhance the ability of CMRS providers to provide digital wireless voice and data technology to American consumers. Coupled with the Commission's latest proposal to permit partitioning and disaggregation of PCS licenses, the FCC's flexible approach to utilization of CMRS spectrum will benefit consumers, CMRS licensees, and the telecommunications industry overall. Therefore, SR Telecom commends the Commission for its foresight and its recognition that, when technology advances outstrip regulatory paradigms, rules can

be crafted to enhance, rather than impede, the introduction of new services into the marketplace.

## II. COMMENTS

### A. Barriers Need to Be Removed in Order to Ensure That PCS Providers Gain Maximum Benefit From Fixed Wireless Technology

5. SR Telecom supports the Commission's proposal to permit PCS licensees to engage in geographic partitioning and spectrum disaggregation. This proposal levels the playing field so that PCS licensees may partition and disaggregate their spectrum, just as other CMRS licensees may partition and disaggregate their spectrum.

6. SR Telecom's support stems primarily from the fact that the Commission's plan would enable PCS licensees to offer PCS and other services to those areas and on those channels which they deem fit and to partition and/or disaggregate their licenses in areas or on channels which other providers are interested in serving. In this way, not only can PCS licensees maximize the return on their investment in PCS licenses, but the entire service area and PCS spectrum can be served with digital wireless communications. Without this proposal, significant

geographic areas of an MTA or BTA may go unserved because those areas are without sufficient population to interest the PCS licensee. With finite capital for build-out, some PCS licensees may be forced to forego provision of service to rural areas or select urban locations. This would result in lack of digital wireless service to residents of those areas.

7. Similarly, without the ability to disaggregate, PCS licensees may only offer service on a portion of their spectrum, particularly in the near term. Thus, scarce spectrum resources would be underutilized. The Commission's disaggregation proposal would remedy this situation by allowing PCS licensees to offer spectrum for use by other entities.

8. SR Telecom applauds the Commission for recently adopting its proposal in WT Docket No. 96-6 to permit fixed wireless services to be offered by CMRS providers, including PCS. Even though PCS licensees may now offer fixed wireless services in their service areas, the Commission's instant proposals are crucial to effectuate that policy. PCS licensees may be reluctant to offer fixed wireless services themselves because they may have limited experience utilizing fixed wireless technology or they may simply be



distracted by the demands of serving the "core" areas of their geographic market. The Commission's proposals to permit partitioning and disaggregation would enable third parties to offer PCS and/or fixed wireless service to unserved areas and on unutilized PCS spectrum. The revenues generated by PCS licensees would, in turn, enhance their ability to construct and operate their communications systems. SR Telecom believes that the proposed measures should increase service to consumers, spur competition in wireless services and, ultimately, promote competition between wireless and wireline services.

**B. Eligibility Rules Must Be Flexible**

9. With regard to services for which partitioned or disaggregated spectrum may be used, the current regulations state that a PCS licensee *may* provide any mobile communications service on its assigned spectrum.<sup>2/</sup> The Commission's recently adopted flexible-use policy added fixed wireless services to the list of permissible communications. However, nothing requires that PCS licensees *must* provide mobile communications service or

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<sup>2/</sup> 47 C.F.R. § 24.3 (emphasis added).

fixed wireless service on their spectrum.<sup>3/</sup> Similarly, the Notice made no mention of the types of services that partitionees or disaggregatees may provide. Although the goals of the Notice include increasing opportunities for PCS applicants and expanding PCS services, the Notice does not propose that entities use the partitioned or disaggregated spectrum to offer PCS exclusively. Notice at ¶ 11.

10. The Commission has proposed to allow any party that meets the broadband PCS licensee eligibility requirements to immediately acquire a license for a partitioned geographic service area.<sup>4/</sup> Notice at ¶ 16. According to the existing eligibility requirements, an entity is eligible to hold a PCS license if it meets the foreign ownership provisions of Section 24.12 and the cellular cross-ownership restrictions of Section 24.204.

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<sup>3/</sup> Section 24.3, as modified in WT Docket No. 96-6, states that:

PCS licensees *may* provide any mobile communications service on their assigned spectrum. Fixed services may be provided on a co-primary basis with mobile operations. Broadcasting as defined in the Communications Act is prohibited.

47 C.F.R. § 24.3 (emphasis added).

<sup>4/</sup> According to Section 24.12 of the Commission's rules, any entity other than an alien or foreign corporation is eligible to be a PCS licensee.

11. Thus, the rules governing eligibility and permissible communications are sufficiently flexible that a PCS licensee/partitionee need not offer PCS at all. SR Telecom believes this is a wise policy; PCS licensees, particularly partitionees and disaggregatees, may wish to offer fixed service rather than mobile operations such as PCS. The Commission's PCS eligibility and permissible communications rules, when combined with the partitioning and disaggregation proposals, would enable the marketplace to determine what is the best application of the PCS spectrum. SR Telecom fully supports this policy because it maximizes the efficient use of spectrum.

**C. Partitioning Should Not Be Determined By County Lines**

12. The Commission proposed to require that partitioning of PCS licenses be along county lines. Notice at ¶ 18. The Commission explained that county line division parallels traditional MTA and BTA market areas and therefore would presumably minimize both administrative burdens and interference concerns. Notice at ¶ 18.

13. SR Telecom believes that county lines are not always the most efficient means of delineating service area

boundaries. For example, many unserved rural areas are located in more than one county. Restricting the partitioning process to the county boundary will artificially restrict service to one side of the county boundary line, even though service may be desired well beyond both sides of the boundary line.

14. Similarly, many unserved urban locations are situated near the center of a county. The Commission's proposal would prevent partitionees from offering service to these unserved areas simply because they are not demarcated in terms of county lines.

15. SR Telecom believes that a more flexible approach is to permit partitioning of PCS service areas along any lines which the PCS licensee desires. In this way, a single large factory, for example, could be carved out of an industrial park and licensed to a PCS partitionee. Likewise, a rural farming cooperative could become a partitionee of an area demarcated by acreage, not county lines.

16. Although this flexible policy may be administratively more challenging, it is certainly a feasible approach in this age of Global Positioning

Satellites, computer mapping software, and highly accurate land records. SR Telecom submits that the benefits realized by rural Americans who receive expanded telecommunications service from partitionees or disaggregatees will more than offset any administrative inconvenience to the FCC.

**D. Size Restrictions are Counterproductive**

17. The Commission requested comment on whether the size of the geographic area that non-entrepreneur block licensees can partition should be limited. Notice at ¶ 19. In order to maximize the efficient use of spectrum, the Commission should not limit the size of the geographic area which non-entrepreneur block licensees can partition.

**E. Disaggregation Assists Both Consumers and Industry**

18. In its Notice, the Commission proposed to eliminate the five-year build-out condition for disaggregation. Notice at ¶ 38. SR Telecom supports the Commission's proposal to permit disaggregation during the five-year build-out period. In addition, SR Telecom agrees with the Commission's tentative conclusion that abandoning this build-out restriction would aid the goals of minimizing market entry barriers, promoting efficient spectrum use,

increasing access to broadband PCS service and spurring competition. See, Notice at ¶ 38. Disaggregation, however, should not be limited to specific spectrum blocks or channelization plans. Instead, a licensee should be entitled to disaggregate as much or as little spectrum as it desires. Otherwise, a limit on disaggregated spectrum could be technology-limiting.

### III. CONCLUSION

19. SR Telecom strongly supports the FCC's proposal to permit partitioning and disaggregation of PCS spectrum. In particular, SR Telecom anticipates that this proposal would permit the offering of fixed wireless services by partitionees and disaggregatees.

20. SR Telecom believes that a few minor adjustments should be made to allow partitionees to serve any geographic area, regardless of county lines, and to permit disaggregatees to obtain as much or as little spectrum as they need. With these few modifications, SR Telecom believes the Commission has crafted a highly beneficial plan for both the PCS industry and for American consumers.

**WHEREFORE, THE PREMISES CONSIDERED, SR Telecom Inc.**  
requests the Commission to act in a manner consistent with  
the views expressed herein.

Respectfully submitted,

**SR TELECOM INC.**

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